

## **REMARKS**

By this paper, claims 1-4, 8, 9, and 27-29 are amended, claims 30-37 are added, and no claims are cancelled. Accordingly, claims 1-4, 8, 9, and 27-37 are all of the pending claims. Support for the amendments presented above is provided throughout the specification and claims as originally filed. Applicant expressly reserves the right to prosecute the subject matter of the unamended and/or cancelled claims, or any other subject matter supported by the Specification, in one or more continuation applications. In view of the foregoing amendments and the following remarks, reconsideration and allowance of all the pending claims is anticipated.

### ***Claim Rejections – 35 USC § 112***

Claims 1-4, 8, 9, and 27-29 currently stand rejected under 35 U.S.C. § 112, second paragraph, for allegedly being unclear. Without acknowledging the propriety of this rejection, by this Response, Applicant has amended that claims that is believed to obviate this rejection by removing the subject matter indicated in the Office Action as being indefinite.

### ***Claim Rejections – 35 USC § 103***

Claims 1-3, 8, and 27-29 currently stand rejected under 35 U.S.C. § 103(a) as allegedly being unpatentable over U.S. Patent No. 6,385,594 to Lebda *et al.* ("Lebda") in view of U.S. Patent No. 5,940,812 to Tengel *et al.* ("Tengel"), and in further view of U.S. Patent No. 5,966,699 to Zandi ("Zandi"); and claims 4 and 9 currently stand rejected under 35 U.S.C. § 103(a) as allegedly being unpatentable over Lebda in view of Tengel, in further view of Zandi, and in still further view of U.S. Patent No. 6,260,024 to Shkedy ("Shkedy"). Applicant traverses these rejections on the grounds that the cited portions of the references relied on in the Office Action do not teach or suggest all of the features of the claimed invention. However, solely in an effort to expedite prosecution, Applicant has amended the claims to further clarify various aspects of the claimed invention with respect to the cited references.

#### **A. *Claim 1 (and its dependent claims)***

Independent claim 1 recites a method for conducting an on-line auction in which merchants bid to provide a product to pools of customers. For a given pool of customers, a “winning” bid from a merchant is selected as the “Preferred Offer” for the given pool of customers. By virtue of winning the auction for the given pool, the “Preferred Offer” of the winning merchant is provided to the customers in the given pool for their individual acceptance.

In the method recited in claim 1, customers are grouped into pools based on the terms of the product that are most important to them. Such a grouping may facilitate determinations of “Preferred Offers” from among the bids received from the merchants for individual ones of the customer pools that take into account the manner in which the customers in the individual pools value the different terms of the product. This may increase the number of customers that accept the “Preferred Offer” with which they are presented, and/or may provide other enhancements.

For example, claim 1 recites *inter alia* the following features, which are not taught or suggested in the sections of Lebda, Tengel, Zandi, and/or Shkedy cited in the Office Action:

...automatically group[ing] the plurality of customers into pools based on customer selections of the Program Terms indicated as being the most important in the sets of customer information corresponding to the individual users...; [and]

...select[ing] Preferred Offers from the obtained bids to provide the product to customers from the plurality of customers, wherein individual Preferred Offers correspond to individual pools of customers such that the Preferred Offers include a first Preferred Offer that corresponds to the first pool of customers and a second Preferred Offer that corresponds to the second pool of customers, and wherein the selection of the Preferred Offers comprises:

comparing the first Program Terms between the bids to select the first Preferred Offer; and

comparing the second Program Terms between the bids to select the second Preferred Offer...(emphasis added).

In the Office Action, the Examiner cites Lebda for an alleged teaching of grouping customers into pools, and evaluating merchant offers based on the groupings [pp. 3-4]. At best, the portions of Lebda cited with respect to these features (the Abstract, and c.

6, II. 4-5) teach filtering loan applications before providing the loan applications to potential lenders. Based on received, filtered, loan applications, the potential lenders then generate individual loan offers for individual applicants [Lebda, Abstract]. There does not appear to be any discussion of grouping customers into pools for the purpose of bid evaluation.

The Examiner acknowledges that Lebda does not teach or suggest evaluating merchant offers based on a ranking of program terms by customers in different pools [the Office Action, p. 4]. The Examiner alleges that this deficiency is addressed by Tengel. In particular, the Examiner relies on Tengel for an alleged teaching of “comparing offers from at least two merchants and based on the comparison selecting a preferred offer” [the Office Action, p. 5 (citations omitted)]. The Examiner cites FIG. 2A of Tengel as providing this teaching. However, this figure actually only discusses an automatic ranking of loan offers for an individual customer. Not only does this section of Tengel fail to provide a teaching of grouping customers into pools so that merchant bids can be evaluated based on selections made by the customers in the individual pools, there is not even a teaching in the cited portion of Tengel that the ranking should be based on an evaluation of the relative importance of terms provided by the individual customer. Therefore, the cited sections of Tengel fail to address the deficiencies of Lebda (acknowledged and unacknowledged) with respect to the features of claim 1 reproduced above.

The Examiner does not allege that Zandi is relevant to the sections of claim 1 reproduced above, and it does not appear that Zandi addresses the shortcomings of Lebda and Tengel set forth above. As such, the rejection of claim 1 based on the proposed combination of Lebda, Tengel, and Zandi should be withdrawn at least because the cited sections of these references, alone or in combination, do not teach or suggest the features of claims 1 reproduced above.

Claims 2-4, 8, and 9 depend from claim 1. As such, the rejections of claims 2-4, 8, and 9 under § 103 should be withdrawn due to the dependency of these claims, as well as for the features that they recite individually.

**B. Claim 27 (and its dependent claims)**

Similar to claim 1, independent claim 27 recites a method for conducting an on-line auction in which merchants bid to provide a product to groups, or pools, of customers. In the method recited in claim 27, customers are grouped into pools based on characteristics of the users themselves (such as demographics and/or historical behavior). Such a grouping may, among other things, facilitate bids by merchants that can be applied across all of the customers within an individual pool even if the cost and/or risk associated with the product tends to vary on a customer-by-customer basis.

For example, claim 27 recites *inter alia* the following features, which are not taught or suggested in the cited sections of Lebda, Tengel, and/or Zandi:

...automatically group[ing] the plurality of customers into pools based on characteristics of the customers included in the obtained sets of customer information...;

...obtain[ing], over said network, from individual ones of said at least two merchants bids to provide the product to customers in the plurality of customers, wherein the bids comprise:

a first set of bids from two or more merchants for the first pool of customers that include offers to provide the product to individual customers in the first pool of customers, and

a second set of bids from two or more merchants that are separate from the first set of bids and are for the second pool of customers, the second set of bids including offers to provide the product to individual customers in the second pool of customers; and

...select[ing] Preferred offers from the obtained bids to provide the product to customers from the plurality of customers, wherein individual Preferred Offers correspond to individual pools of customers such that the Preferred Offers include a first Preferred Offer selected from the first set of bids that corresponds to the first pool of customers and a second Preferred Offer selected from the second set of bids that corresponds to the second pool of customers... (emphasis added).

As was set forth above, neither Lebda nor Tengel appears to provide a teaching of grouping customers into pools so that merchant bids can be received and/or evaluated for the separate pools. Instead, both Lebda and Tengel essentially teach methods in which loan providers make individual loan offers to individual loan applicants. In the Office Action, the Examiner alleges that Lebda teaches grouping customers based on characteristics [pp. 5-6]. The sections of Lebda specifically cited,

at most, teach that characteristics may be collected from loan applicants so that loan providers can formulate appropriate loan offers [Lebda, c. 3, ll. 1-24, and c. 4, ll. 20-32]. However, the cited sections of Lebda do not expressly teach that customers should be grouped into “pools,” such as the ones recited in claim 27, that facilitate the reception and evaluation of collective bids from merchants.

The sections of Zandi cited in the Office Action do not address these features of claim 27. As such, the rejection of independent claim 27 based on the proposed combination of Lebda, Tengel, and Zandi should be withdrawn at least because the cited sections of these references do not teach or suggest the features of claim 27 reproduced above.

Claims 28 and 29 depend from claim 27. As such, the rejection of claims 28 and 29 based on the proposed combination of Lebda, Tengel, and Zandi should be withdrawn due to the dependency of these claims, as well as for the features that they recite individually.

#### ***Newly Added Claims***

Claims 30-37 are newly added by this Response.

Claims 30-34 depend from independent claim 27. As such, claims 30-34 are believed to be allowable over the cited reference by virtue of their dependency, as well as for the features that they recite individually.

Independent claim 35 recites features that are not taught or suggested by the references relied upon in the Office Action. For example, independent claim 35 recites *inter alia* the following features:

...automatically group[ing] the plurality of customers into pools based on selected level of commitment to accept a Preferred Offer to provide the product by one of the two or more merchants....

For at least this reason, claim 35 is believed to be allowable over the relied upon references. Claims 36 and 37 depend from claim 35. Therefore, claims 36 and 37 are believed to be allowable over the cited references by virtue of their dependency, as well as for the features that they recite individually.

### CONCLUSION

Having addressed each of the foregoing objections and rejections, it is respectfully submitted that a full and complete response has been made to the outstanding Office Action and, as such, the application is in condition for allowance. Notice to that effect is anticipated.

If the Examiner believes, for any reason, that personal communication will expedite prosecution of this application, the Examiner is invited to telephone the undersigned at the number provided.

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Respectfully submitted,

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